

The Australian National University Union Incorporated

Annual Report - 31 December 2017

The Australian National University Union Inc
Director's report
31 December 2017

The Directors present their report, together with the financial statements, on the incorporated association for the year ended 31 December 2017.

Directors

The following persons were Directors of the incorporated association during the whole of the financial year and up to the date of this report, unless otherwise stated:

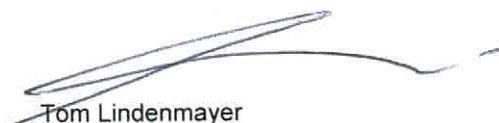
Name	Position	Date Elected
Mr Tom Lindenmayer	Chair	Appointed February 2017, Re-Appointed April 2017
Ms Jemma Cavanagh	Deputy Chair	Appointed February 2017, Re-Appointed April 2017
Mr Josh Bolitho	Director	Elected, Term Ended March 2017
Ms Jillian Molloy	Director	Elected, Term Ended March 2017
Mr Kanish Oberoi	Director	Elected, Term Ended March 2017
Mr Nathan Kerwood	Director	Elected
Ms Dominic Kasah	Director	Elected
Ms Monique Blasiak	Director	Elected, Resigned
Ms Annalyse Betts	Director	Elected, Resigned
Mr Tom Nock	Director	Elected
Ms Agatha Court	Director	Appointed
Mr Francis Claessens	Director	Appointed
Mr James Connelly	Director	Appointed, Resigned
Mr Lewis Pope	Director	Appointed, Term Ended December 2017
Mr Scott Joblin	Director	Appointed
Ms Belinda Farrelly	Director	Appointed, Resigned
Mr Nick Douros	Director	Appointed

Principal activities


The objects of the Union are:

- a) to provide high quality, cost effective facilities and services for its members;
- b) to provide a recognised meeting place and social centre for its members;
- c) to promote the intellectual, social and general welfare of the University community;
- d) to actively foster the development and enhancement of ANU Clubs and Societies and ANU Halls and Residences and their inter-residential organisations; and
- e) (e) to actively work with ANUSA, PARSA and other related on-campus organisations to advance the above objects.

On behalf of the Board



Tom Lindenmayer
Chair of the Board



Jemma Cavanagh
Deputy Chair of the Board

Date: 13 March 2018
Canberra

The Australian National University Union

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General information

The financial statements cover The Australian National University Union Inc as an individual entity. The financial statements are presented in Australian dollars, which is The Australian National University Union Inc's functional and presentation currency.

The Australian National University Union Inc is a not-for-profit incorporated association, registered with the Australian Charities and Not-for-Profit Commission.

The financial statements were authorised for issue on 13 March 2018.

The Australian National University Union Inc
Statement of Comprehensive Income
For the year ended 31 December 2017

	Note	2017	2016
		\$	\$
Revenue from ordinary activities	3(a)	2,261,899	4,092,660
Cost of sales		(1,045,221)	(1,783,353)
Depreciation and amortisation expense	3(b)	(132,791)	(202,485)
Salaries and employee benefits expense	3(c)	(1,170,716)	(1,603,465)
Other expenses	3(d)	(316,576)	(1,000,243)
Deficit attributable to members of the Australian National University Incorporated		<u>(403,405)</u>	<u>(496,886)</u>
Other Comprehensive Income		-	-
Total Comprehensive Income		<u>(403,405)</u>	<u>(496,886)</u>

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes

The Australian National University Union Inc
Statement of Financial Position
As at 31 December 2017

	Note	2017 \$	2016 \$
CURRENT ASSETS			
Cash and cash equivalents	4	935,063	1,121,572
Trade and other receivables	5	67,158	151,343
Inventories	6	-	187,829
Prepayments		3,622	4,434
TOTAL CURRENT ASSETS		<u>1,005,843</u>	<u>1,465,178</u>
NON-CURRENT ASSETS			
Property, plant and equipment	7	40,286	351,475
Intangible assets	8	-	2,286
TOTAL NON-CURRENT ASSETS		<u>40,286</u>	<u>353,761</u>
TOTAL ASSETS		<u>1,046,129</u>	<u>1,818,939</u>
CURRENT LIABILITIES			
Trade and other payables	9	70,839	309,479
Employee Benefits	10	26,363	151,511
Deferred income	12	45,956	39,655
TOTAL CURRENT LIABILITIES		<u>143,158</u>	<u>500,645</u>
NON-CURRENT LIABILITIES			
Employee Benefits	10	7,258	19,176
TOTAL NON-CURRENT LIABILITIES		<u>7,258</u>	<u>19,176</u>
TOTAL LIABILITIES		<u>150,416</u>	<u>519,821</u>
NET ASSETS		<u>895,713</u>	<u>1,299,118</u>
EQUITY			
Accumulated Funds		895,713	1,299,118
TOTAL EQUITY		<u>895,713</u>	<u>1,299,118</u>

The above Statement of Financial Position should be read in conjunction with the accompanying notes

The Australian National University Union Inc
Statement of Changes in Equity
For the year ended 31 December 2017

	Retained Earnings	Total
	\$	\$
Balance as at 31 December 2015	1,796,004	1,796,004
Profit for the year	<u>(496,886)</u>	<u>(496,886)</u>
Balance as at 31 December 2016	1,299,118	1,299,118
Profit for the year	<u>(403,405)</u>	<u>(403,405)</u>
Balance as at 31 December 2017	<u>895,713</u>	<u>895,713</u>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes

The Australian National University Union Inc
Statement of Cash Flows
For the year ended 31 December 2017

	2017	2016
	\$	\$
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from customers	2,526,888	4,207,278
Interest received	16,099	27,316
Sponsorship received	2,763	26,592
Rent received	241,480	638,066
Other income received	63,828	5,603
Net Goods and services and tax paid	(227,213)	(403,875)
Payments to supplier and employees	<u>(2,850,714)</u>	<u>(4,644,189)</u>
Net cash provided by/ (used in) operating activities	<u>(226,869)</u>	<u>(143,209)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	40,360	-
Purchase of held to maturity assets	<u>-</u>	<u>100,000</u>
Net cash provided by investing activities	<u>40,360</u>	<u>100,000</u>
Net increase/(decrease) in cash held	(186,509)	(43,209)
Cash at beginning of financial year	<u>1,121,572</u>	<u>1,164,781</u>
Cash at end of financial year	<u>935,063</u>	<u>1,121,572</u>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes

The Australian National University Union Inc
Notes to the financial statements
31 December 2017

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The incorporated association has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB'), and the Incorporated Associations Act 1991 (*Australian Capital Territory*), the Australian Charities and Not-for-profits Commission Act 2012, as appropriate for not-for-profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the incorporated association's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Income tax

As the incorporated association is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the incorporated association's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the incorporated association's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Estimation of useful lives of assets

The incorporated association determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

The Australian National University Union Inc
Notes to the financial statements
31 December 2017

	2017	2016
	\$	\$
NOTE 3: REVENUE AND EXPENSES		
(a) Revenue		
Income	1,808,106	3,241,190
Vending machines commissions	66,973	81,531
Rents received	219,527	580,060
Electricity/gas recovery	14,699	44,975
Advertising income	2,897	5,709
Rebates and sundry income	51,260	84,877
	<u>2,163,462</u>	<u>4,038,342</u>
Other income	68,860	-
Sponsorship	2,763	26,592
Interest	16,099	27,316
Gain on sale of property, plant and equipment	10,715	409
	<u>98,437</u>	<u>54,317</u>
	<u><u>2,261,899</u></u>	<u><u>4,092,659</u></u>
 Accounting Policy		
Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Union and the revenue can be reliably measured. The following specific revenue recognition criteria must also be met before revenue is recognised:		
<i>Sale of goods</i>		
Revenue is recognised when the significant risk and rewards of ownership have passed to the buyer and can be measured reliably. Risks and rewards are considered passed to the buyer at the time of delivery of the goods to the buyer.		
<i>Interest</i>		
Revenue is recognised as the interest accrues on the short-term deposit.		
<i>Rental Income</i>		
Rental income arising under the lease agreements on designated areas of the Union Building is accounted for on a straight-line basis over the lease term. Contingent rental income is recognised as income in the periods in which it is earned.		
 Expenses		
(b) Depreciation and amortisation		
Property, plant and equipment	19,815	34,661
Fixtures and fittings	25,481	65,386
Leasehold improvements	87,045	101,689
Licences	450	750
	<u>132,791</u>	<u>202,486</u>
 (c) Employee benefits expense		
Salaries and related costs	1,080,626	1,473,129
Superannuation	90,090	130,336
	<u>1,170,716</u>	<u>1,603,465</u>
 (d) Other expenses		
Utilities and insurance	152,455	270,945
Impairment loss	39,500	25,000
Repairs and replacements	12,753	54,263
Loss on sale of assets	114,115	-
Other expenses/(costs recovered)	(2,247)	650,035
	<u>316,576</u>	<u>1,000,243</u>

The Australian National University Union Inc
Notes to the financial statements
31 December 2017

	2017	2016
	\$	\$
NOTE 4: CASH AND CASH EQUIVALENTS		
Cash on hand *	-	9,126
Cash at bank **	185,063	112,446
Short term deposits ***	750,000	1,000,000
	<u>935,063</u>	<u>1,121,572</u>

* Cash on hand does not earn interest

** Cash at bank earns interest at floating rates based on daily bank deposit rates

*** These deposits are held for between 3-6 months at interest rates between 2.6% and 2.9%.

Accounting policy

Cash and short-term deposits in the Statement of Financial Position comprise of cash at bank, cash on hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

NOTE 5: TRADE AND OTHER RECEIVABLES

Trade debtors	29,165	254,807
Less provision for doubtful debts	-	(144,022)
Other receivables	37,993	40,558
	<u>67,158</u>	<u>151,343</u>

Accounting Policy

Trade receivables are non-interest bearing and are generally on 30-90 day terms. Other receivables are non-interest bearing.

For terms and conditions relating to related party receivables refer to Note 14.

An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified by management.

NOTE 6: INVENTORY

Inventory	<u>-</u>	<u>187,829</u>
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Accounting policy

Inventories are valued at the lower of cost or net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

The Australian National University Union Inc
Notes to the financial statements
31 December 2017

	2017	2016
	\$	\$
NOTE 7: PROPERTY, PLANT AND EQUIPMENT		
Plant and equipment – at cost	77,724	2,036,063
Accumulated depreciation	<u>(40,938)</u>	<u>(1,970,415)</u>
	<u>36,786</u>	<u>65,648</u>
Fixtures and fittings – at cost	-	2,743,901
Accumulated depreciation	<u>-</u>	<u>(2,620,120)</u>
	<u>-</u>	<u>123,781</u>
Motor vehicles – at cost	29,363	29,363
Accumulated depreciation	<u>(29,363)</u>	<u>(29,363)</u>
	<u>-</u>	<u>-</u>
Works of art – at fair value	<u>3,500</u>	<u>75,000</u>
Leasehold improvements – at cost	-	2,840,293
Accumulated depreciation	<u>-</u>	<u>(2,753,248)</u>
	<u>-</u>	<u>87,045</u>
Total property, plant and equipment	<u>40,286</u>	<u>351,474</u>

Accounting policy:

Plant and equipment is stated at cost less accumulated depreciation and any impairment in the value with the exception of artwork which is recorded at fair value.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Plant and equipment	3-20 years
Fixtures and fittings	3-20 years
Motor vehicles	5 years
Leasehold improvements	10-40 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Union. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

NOTE 7: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Plant and equipment \$	Fixtures and fittings \$	Motor vehicles \$	Works of art	Leasehold improvements	Total \$
2017						
Balance at the beginning of the year	65,648	123,781	-	75,000	87,045	351,474
Additions	-	-	-	-	-	-
Disposals at written down value	(9,047)	(98,300)	-	(111,000)	-	(218,347)
Revaluations	-	-	-	39,500	-	39,500
Depreciation expense	(19,815)	(25,481)	-	-	(87,045)	(132,341)
Carrying amount at end of year	36,786	-	-	3,500	-	40,286

NOTE 8: INTANGIBLE ASSETS

	2017 \$	2016 \$
Post office/Subway licence - at cost	15,000	22,500
Accumulated Amortisation	(15,000)	(20,214)
	-	2,286

Accounting Policy

Intangible assets are recorded at cost. Software has a finite life and is carried at cost less accumulated amortisation and any impairment losses. Software is amortised on a straight line basis over an estimated useful life, commencing from the time the asset is held ready for use.

Residual values and useful lives are reviewed at each reporting date. In addition they are subject to impairment testing as described in Note 7.

NOTE 9: TRADE AND OTHER PAYABLES

Trade Creditors	42,139	174,152
Goods and services tax	2,903	42,546
Accrued expenses	25,797	92,781
	70,839	309,479

Accounting policy:

These amounts represent liabilities for goods and services provided to the Union prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

For terms and conditions relating to related parties refer to Note 14.

The Australian National University Union Inc
Notes to the financial statements
31 December 2017

	2017	2016
	\$	\$
NOTE 10: PROVISIONS		
CURRENT		
Annual leave provision	18,684	87,533
Long service Leave	<u>7,679</u>	<u>63,978</u>
	<u>26,363</u>	<u>151,511</u>
NON-CURRENT		
Long service Leave	<u>7,258</u>	<u>19,176</u>
	<u>7,258</u>	<u>19,176</u>
	<u>33,621</u>	<u>170,687</u>

Accounting policy:

Employee benefits

Short-term employee benefits

Liabilities for annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

NOTE 11: COMMITMENTS

(a) Licence agreements commitments receivable:

The Union has entered into a number of licence agreements on designated areas of "The Union Building". These licence agreements have been extinguished in the current year.

Future minimum licence fees receivables under the licence agreements are:

- Within 1 year	<u>-</u>	<u>104,365</u>
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(b) Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements:

Payable - minimum lease payments

- not later than 1 year	<u>5,670</u>	<u>-</u>
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Accounting policy

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Until the 4th of August 2017 the Union had leased its buildings for no consideration from the Australian National University (the University) under an operating lease where the University retains substantially all the risks and rewards of ownership. Accordingly the Union did not recognise the land and buildings within the Statement of Financial Position. Furthermore, as there is no consideration for lease, no lease payments have been recognised on the Statement of Comprehensive Income.

The Australian National University Union Inc
Notes to the financial statements
31 December 2017

	\$	\$
NOTE 12: DEFFERED INCOME		
Rental income	-	38,670
Others/Function funds received in advance	45,956	985
	<u>45,956</u>	<u>39,655</u>

NOTE 13: RELATED PARTY AND KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Current Board of Directors

Mr Tom Lindenmayer	Chair	Appointed February 2017, Re-Appointed April 2017
Ms Jemma Cavanagh	Deputy Chair	Appointed February 2017, Re-Appointed April 2017
Mr Nathan Kerwood	Director	Elected
Mr Dominic Kasah	Director	Elected
Ms Agatha Court	Director	Appointed
Mr Francis Claessens	Director	Appointed
Mr Tom Nock	Director	Elected
Mr Nick Douros	Director	Appointed
Mr Scott Joblin	Director	Appointed

(b) Remuneration of the board and key management personnel

The members of the board of the Union were not remunerated except for the Chair and Deputy Chair.
Nil other transactions occurred in the period

The aggregate remuneration paid to key management personnel, Chair and Deputy Chair during the financial year are as follows:

	2017	2016
	\$	\$
Short term benefits	115,494	82,598
Post-employment benefits	11,234	5,968
	<u>126,728</u>	<u>88,567</u>

NOTE 14: SUBSEQUENT EVENTS

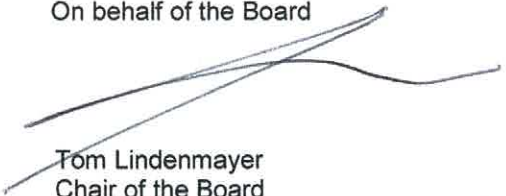
No matter or circumstance has arisen since 31 December 2017 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

The Australian National University Union Inc
Director's Declaration
31 December 2017

In the Directors' opinion:

- the attached financial statements and notes comply with the Australian Accounting Standards - Reduced Disclosure Requirements, the Australian Charities and Not-for-profits Commission Act 2012 and the *Associations Incorporations Act 1991 (ACT)*;
- the attached financial statements and notes give a true and fair view of the incorporated association's financial position as at 31 December 2017 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the incorporated association will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Tom Lindenmayer
Chair of the Board



Jemma Cavanagh
Deputy Chair of the Board

Date: 13 March 2018
Canberra

RSM Australia Pty Ltd

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of the Australian National University Union Incorporated for the year ended 31 December 2017, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

RSM

RSM AUSTRALIA PTY LIMITED



G M STENHOUSE

Director

Canberra, Australian Capital Territory

Date: 13 March 2018

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
THE AUSTRALIAN NATIONAL UNIVERSITY UNION INCORPORATED

Opinion

We have audited the financial report of the Australian National University Union Incorporated (ANU Union), which comprises the statement of financial position as at 31 December 2017, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by the Board.

In our opinion the accompanying financial report presents fairly, in all material respects, the financial position of the ANU Union as at 31 December 2017, and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards.

In our opinion, the financial report of the Australian National University Union Incorporated has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the registered entity's financial position as at 30 June 2017 and of its financial performance and cash flows for the year ended on that date; and
- (b) complying with Australian Accounting Standards- Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the ANU Union in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

Other Information

The Board are responsible for the other information. The other information comprises the information included in ANU Union's annual report for the year ended 31 December 2017, but does not include the financial report and the auditor's report thereon.

THE POWER OF BEING UNDERSTOOD

AUDIT | TAX | CONSULTING

RSM Australia Pty Ltd is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Pty Ltd ACN 009 321 377 atf Birdanco Practice Trust ABN 65 319 382 479 trading as RSM

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Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing ANU Union's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate ANU Union or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Pronouncements/Australian-Auditing-Standards/Auditors-Responsibilities.aspx>. This description forms part of our auditor's report.

Rsm

RSM AUSTRALIA PTY LIMITED

G Stenhouse

G M STENHOUSE
Director

Canberra, Australian Capital Territory

Date: *13 March 2018*